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### REMARKS/ARGUMENTS

Claims 1-2 are pending in this application and both claims stand rejected.

#### 35 U.S.C. §103

Claims 1 and 2 were rejected under 35 U.S.C. §103(a) as being unpatentable over Markowicz in view of Pick 3 Virginia Lottery. Markowicz is directed to a network of individual lottery systems having independent structure for selecting individual winners. The individual lotteries also feed through to a network-level lottery having differentiated win pools at the network level, each one being separately accumulated and separately awarded.

Markowicz describes prizes awarded on a pari-mutuel basis. Pick 3 Virginia Lottery describes state lotteries awarding subordinate prizes having a pre-determined fixed monetary value. Thus, modifying the Markowicz lottery with the pre-determined fixed monetary value prizes of Pick 3 would at most suggest that the Markowicz member lotteries award pre-determined fixed monetary value prizes. Neither Markowicz nor Pick 3, alone or together, teaches or suggests a first member lottery awarding prizes having a pre-determined fixed monetary value *in combination with* a second member lottery awarding subordinate prizes on a pari-mutuel basis. Reconsideration of the rejection is respectfully requested.

Claim 2 depends from claim 1 and is allowable for at least that reason.  
Reconsideration of the rejection is respectfully requested.

### CONCLUSION

All of the claims remaining in this application should now be seen to be in condition for allowance. The prompt issuance of a notice to that effect is respectfully solicited. If there are any remaining questions, the Examiner is requested to contact the undersigned at the number listed below.

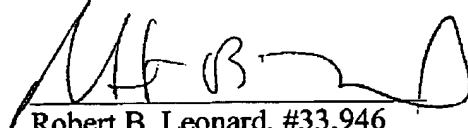
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No fee is believed to be necessary for the entry of this paper. Should any fee be required for entry of this paper, the Commissioner is authorized to charge the Faegre & Benson Deposit Account No. 06-0029 and in such event, is requested to notify us of the same.

Respectfully Submitted,

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By:



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Dated: November 10, 2005

M2:20753835.01